



PERS Newsbreak

Our Mission is You!

So You're Ready to Retire . . .

What to expect when you start the retirement process

When can I retire?

Your retirement date will be the first of the month after the following requirements are met:

- You meet the minimum service and age requirements for retirement.
- You have terminated.
- Your *Application for Retirement Benefits* is received by the Division prior to the date you plan to retire.

What happens after I submit my application?

When we receive your application, we'll review your eligibility for retirement. We'll make sure you are the right age and we'll check your service eligibility. We will send you a letter acknowledging receipt of your application, tell you if any paperwork is missing, remind you to terminate your employment, and tell you your retirement effective date.

Next, we'll calculate your benefit. This calculation is checked at least three times. First, a retirement technician calculates your benefit. The information is then double-checked by another technician. Finally, the Retirement Supervisor certifies that the calculation is correct.

Finally, we'll send you your appointment letter and you'll receive your first benefit check.

I'd like to retire in the middle of the month.

By law you will be appointed to retirement 'on the first of the month. If your birthday falls on the first day of the month, you are eligible to retire that month rather than the following month.

How many days do I have to work in my last year?

You must have 115 days of creditable service during the year. If you terminate employment before working 115 days, your last salary will not be included among your highest years. If you want to count this year, you should plan on working through at least April 25.

When are retirement benefits paid?

Retirement benefits are paid once at the end of the month.

How long will it take until I receive my first benefit check?

The processing of your first benefit check can take approximately six weeks from your retirement effective date. Once your application has been processed, benefit checks will be automatically issued at the end of each month.

What about health coverage?

If you are provided with medical coverage or you elect health coverage prior to your

retirement date, you will be covered by the Alaska Retiree Health Plan (AlaskaCare) as of the retirement effective date. If we have received your retirement application, including your health elections, by the 15th of the month before you retire, we'll report your health coverage to the claims administrator by your retirement effective date. Otherwise, it won't be reported until 4 to 6 weeks after your retirement date.

What about health coverage for Tier 2 and Tier 3 if I retire before age 60?

If you are in Tier 2—first entered the PERS after June 30, 1986—and you are under age 60 when you retire, you must enroll and pay the monthly premiums if you want to be covered under the retiree medical plan. At age 60, the retirement system pays the medical premiums for you. If you are in Tier 3—first entered after June 30, 1996—the same rules apply but you need ten years credited service in the PERS to receive system-paid medical coverage at age 60. Dental/vision/audio and long-term care coverage may be elected and paid for by any retiree.



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Fax: (907) 465-3086
www.state.ak.us/dr

Traveling for Medical Services

These rules apply to all retirees and all state employees covered under Select Benefits. Members covered under other plans should contact their plan for assistance.

Traveling for treatment? Sounds like a game show title but it's a fact of life for many people living in rural areas and even many urban areas in Alaska.

Treatment for a medical condition is not always available in our hometowns, forcing us to travel to see a doctor in another city or even another state. Most health plans don't cover any travel expenses. Unlike those plans, the AlaskaCare Health Plans recognize that Alaskans in particular are frequently unable to obtain the medical treatment they need at home and recover some, though not all, travel expenses.

Travel is covered if you need treatment that cannot be provided locally. Travel for diagnostic purposes is not covered. Treatment includes a service or procedure that is required to correct or alleviate a condition or specific symptoms. For example, if you need an MRI to diagnose a back problem but your hometown doesn't have the equipment, your travel isn't covered because the MRI is only for diagnosing the problem. But if you've already had the MRI and need back surgery that is not available locally, your travel is covered.

Travel is also covered for second surgical opinions if surgery has been recommended but you can't get a second opinion locally. For example, if your doctor

recommends back surgery and she is the only surgeon in town who can recommend and perform that surgery, your travel may be covered to another city to get a second surgical opinion.

What's Covered

- Travel is covered only to the nearest location where treatment is available. You may decide that you want to travel to a farther city to be near family or see a particular doctor but the plan will only cover travel to the nearest city. For example, if you live in Juneau and treatment is available in Seattle, but you elect to fly to Los Angeles, the plan only reimburses your travel as far as Seattle.

- Travel is limited to two trips per benefit year for each condition. For example, if you need back surgery, the plan pays for a preoperative trip and the trip for surgery, or it pays for the surgical trip and a postoperative trip. Even if additional travel is medically necessary, the plan only pays for two trips per year.

- Travel includes medivac flights if you are in a life-threatening situation and are transported by vehicle or air ambulance. If it's not an emergency, the plan covers the actual cost of roundtrip coach airfare or actual expenses if you drive.

- Travel expenses are paid for the person who needs treatment. If that person is under age 18, the plan also covers travel expenses for a

parent or guardian. While we understand that you may want or need a spouse or other family member or friend to accompany you, the plan does not reimburse their travel expenses.

What Isn't Covered

- Travel is covered only if your one-way trip is more than 100 miles. So while the plan reimburses travel from Bethel to Anchorage, it won't pay for travel from Wasilla to Anchorage.

- Travel is covered only for medical conditions; the plan doesn't cover travel for dental, vision, or audio conditions.

- Travel is covered only for a medical service that is covered under the medical plan. If you have a service the plan doesn't cover—cosmetic surgery for example—the travel for that service won't be covered either.

- Travel is covered only in the contiguous United States, Alaska, and Hawaii. Travel in U.S. territories, possessions, foreign countries, or between the U.S. and a foreign country is not covered.

- Travel does not include ground transportation such as cabs or shuttles, nor does it cover hotel, meals, or other lodging expenses.

- Using airline miles to purchase your ticket? While that can save you upfront costs, the plan does not reimburse you for airline miles used.

This information is a summary of the AlaskaCare travel benefit only; full details about the travel benefit are available in your health booklet. If you have questions, you may call either Aetna at (888) 252-2732 or contact the Alaska Benefits Section at (907) 465-8600 or by e-mail to benefits@admin.state.ak.us.

As with any benefit, there are rules. The number one rule is that travel must be preauthorized. Unless it's an emergency medivac flight, you must contact Aetna before you travel. Call (888) 252-2732 to preauthorize your travel. Not sure whether you'll have treatment after that MRI? Be sure to preauthorize your travel just in case you do.

Notice of Special ASPIB Election

If you are a person with a disability who may need a special accommodation in order to participate in the process, please contact Judy Hall, Liaison Officer, at (907) 465-3749 no later than March 28, 2003, to make any necessary arrangements.

A special election will be held to fill a vacancy on the Alaska State Pension Investment Board (ASPIB) created by the resignation of Trustee Gary Bader from a PERS member seat. The winning candidate will complete the term vacated by Trustee Bader. This term commences upon certification of the election by the Commissioner of Revenue, and ends December 31, 2006. A

candidate must be a member of the Public Employees' Retirement System (PERS), and the Supplemental Benefits System (SBS). If the top vote getters for this seat receive the same number of votes, they will draw lots to determine who is elected.

A nomination for a trustee's seat may be made by the Public Employees' Retirement Board or by petition on a form available from the Liaison Officer of the Alaska State Pension Investment Board, Department of Revenue. A nominating petition must include: (1) the nominee's name and address; (2) a statement of the nominee's willingness to serve; (3) the printed names, signatures, and addresses of at least 10 members of the PERS; and (4) a statement that the nominee is or is not a member of the supplemental benefits program.

Nominating petitions will be available on or about February 14, 2003. A candidate may include a statement of 150 words or less with the nominating petition. Nominating petitions must be completed and returned to Judy Hall at the Alaska State Pension Investment Board by 4:30 p.m. April 24, 2003. Petitions will not be accepted after the deadline. Corrections will not be accepted after the deadline.

Once the petitions are validated, ballots will be mailed to all PERS members on or about May 16, 2003, with voting deadline/ballot counting on June 16, 2003.

Nominating petitions may be obtained by writing or calling:
Alaska State Pension Investment Board
PO Box 110405
Juneau, Alaska 99811-0405
Attn: Judy Hall, Liaison Officer
(907) 465-3749; (907) 465-2389 fax
Judy_Hall@revenue.state.ak.us
Petitions will also be available on-line at
www.revenue.state.ak.us/treasury/aspiib/index.htm

Thank you, Alaska Retirement Planners!

The Division of Retirement and Benefits received these notes recently in response to the enhancements to the Retiree Dental-Vision-Audio Plan and the Division's web site.

Amazing! That describes your DVA Plan enhancement news that reached me today. In this day of cutbacks, shortfalls and even HMOs

still good—I try to not take advantage of these good benefits and abuse the plan.

In appreciation,
—MRA, Georgia

been my main contact person when I had questions about early retirement and other stuff, and she's a jewel! She responds really quickly and her advice has been invaluable. Thanks again for the great work you all are doing! Have a wonderful new year.

—VB, Florida and Washington, D.C.

I just hope other retirees appreciate this benefit as I do. No doubt, they do.

I wanted to take the time to let you know how wonderful I think the State of Alaska

disappearing, to get this announcement of an enhancement is unheard of. My audio benefit will not be needed in the foreseeable years. I hear more than I want to, much of the time. Thank you for the added anti-reflective coating on glasses. My previous prescription is

Division of Retirement and Benefits web site is. My husband and I are both retirees of the TRS and, in trying to do things REALLY long distance it is so helpful to have all the forms right on the web site to download, as well as important information. Susan Doerflinger has

PERS Performance in Fiscal Year 2002

You can find the Comprehensive Annual Financial Report, Fiscal Year 2002 at our web site: www.state.ak.us/dr/pers/perscafr.htm.

You can also contact the Division if you'd like to receive a printed copy of the Comprehensive Annual Financial Report.

During fiscal year 2002, the fund experienced a \$675,549,000 decline in value. Employers and employees contributed \$195,408,000, while the net investment loss was \$448,279,000. The PERS paid out \$422,688,000 in benefits, refunds, and administrative expenses.

Highlights in fiscal year (FY) 2002

- There were 33,242 PERS employees working for 161 PERS employers.
- \$53,983,578 in interest was credited to PERS employees' accounts.
- On the average, PERS employers paid 6.75% of each employee's gross salary in addition to the contributions paid by the employee.
- 17,215 people received monthly PERS benefits in FY 2002, an increase of 5.8% over FY 2001. PERS benefit recipients received an average of \$17,028 annually in FY 2002.

Changes in PERS Assets During Fiscal Year 2002

Revenues and Expenses

Net Assets on June 30, 2001 \$ 8,088,382,000

Additions

Employer Contributions 94,769,000
 Employee Contributions 100,639,000
 Net Investment Income (Loss) (448,279,000)
 Other 10,000
 Total Additions (252,861,000)

Deductions

Pension Benefits Paid 279,731,000
 Healthcare Benefits Paid 124,805,000
 Refunds to Members 12,869,000
 Administrative Expenses 5,283,000
 Total Deductions 422,688,000
 Net Assets on June 30, 2002 \$ 7,412,833,000

Statement of PERS Assets as of June 30, 2002

Assets

Short-Term Investments \$ 3,553,000
 Contributions and Other Receivables 10,480,000
 Domestic Equity Pool 2,708,340,000
 Retirement Fixed Income Pool 2,273,168,000
 International Equity Pool 1,221,572,000
 Real Estate Pool 580,417,000
 International Fixed Income Pool 249,760,000
 Private Equity Pool 195,862,000
 Emerging Markets Equity Pool 70,238,000
 External Domestic Fixed Income Pool 107,163,000
 Loans and Mortgages 94,000
 Total Assets 7,420,647,000

Liabilities

Total Accrued Expenses and Other
 Liabilities 7,814,000
 Net Assets on June 30, 2002 \$ 7,412,833,000

Check Mailing Dates

If your monthly check does not arrive within 15 days of the mailing date, please let us know (in writing) so we can issue a new check. However, please wait until the 15 days has passed since we cannot issue a new check until then.

Checks are mailed monthly to PERS benefit recipients (retirees, members on a disability benefit, and survivors). The actual mailing and pay dates vary each month. PERS checks will be mailed on the following dates:

February 24
 March 24
 April 24
 May 23
 June 24
 July 23
 August 22
 September 23
 October 24
 November 24
 December 22

The mailing date is also the date that funds are available from your financial institution if you have elected electronic deposit. If you would like to have your benefit directly deposited, complete the form *Electronic Direct Deposit Authorization For Retirees* and return it to the Division for processing.

The Name of the Game: Identity Theft

The information for this article comes from the Federal Trade Commission, reprinted by permission.

How can someone steal your identity? By co-opting your name, Social Security number, credit card number, or some other piece of your personal information for their own use. In short, identity theft occurs when someone appropriates your personal information without your knowledge to commit fraud or theft.

Here are some ways that identity thieves work:

- They open a new credit card account, using your name, date of birth, and Social Security number. When they use the credit card and don't pay the bills, the delinquent account is reported on your credit report.

- They establish cellular phone service in your name.
- They open a bank account in your name and write bad checks on that account.

What You Can Do Today

Order a copy of your credit report from each of the three major credit reporting agencies every year. Make sure it is accurate and includes only those activities you've authorized. The law allows credit bureaus to charge you up to \$9.00 for a copy of your credit report.

If You're a Victim

Do these three things immediately!

Contact the fraud departments of each of the three major credit bureaus and report that your identity has been stolen. Ask that a "fraud alert" be placed on your file and that no new credit be granted without your approval.

For any accounts that have been fraudulently accessed or opened, contact the security departments of the appropriate creditors or financial institutions. Close these accounts. Put passwords (not your mother's maiden name) on any new accounts you open.

File a report with your local police or the police where the identity theft took place. Get a copy of the report in case the bank, credit card company, or others need proof of the crime later on.

- They call your credit card issuer and, pretending to be you, change the mailing address on your credit card account. Then, your imposter runs up charges on your account. Because your bills are being sent to the new address, you may not immediately realize there's a problem.

Participant's Corner

Pension Benefits at Retirement

Does my contribution balance indicate how much I will receive in pension benefits?

This is a common misconception. Your contribution balance does not reflect the true value of your PERS pension benefit since it only includes any contributions you have made (as well as any indebtedness payments and interest earned). The employer contributions only become available to members when they qualify and begin to receive a lifetime monthly pension benefit.

How can I obtain an estimate of my pension benefit?

If you are more than 2 years from retirement eligibility, you can obtain a projection on the web site www.state.ak.us/dr/b using the Member Services.

The three major credit bureaus are:

Equifax

Order Credit Report: (800) 685-1111

Report Fraud: (800) 525-6285

www.equifax.com

Experian

Order Credit Report: (888) 397-3742

Report Fraud: (888) 397-3742

www.experian.com

Trans Union

Order Credit Report: (800) 888-4213

Report Fraud: (800) 0680-7289

www.tuc.com

Upcoming Events

Board Meetings

Board meetings are open to the public.

- February 5–7
- February 25–27
- March 17–18
- March 19
- April 15
- April 16–18

PERS Counseling Schedule

Board meeting dates and the counseling schedule are subject to change. Check the current schedules on the web: www.state.ak.us/drb.

To schedule an appointment with counselors located in the Juneau main office, please call (907) 465-5698. To schedule an appointment for counselors in the Anchorage field office, call (907) 269-0333.

- February 18–20
- February 24–28
- March 10–14
- March 24–28
- April 1–4
- April 7–11
- April 21–25
- April 28–May 2
- May 12–14

ASPIB Regular Meeting, Anchorage
PERS Appeal Meeting, Juneau
PERS/TRS/ASPIB Joint Meeting, Anchorage
PERS Business Meeting, Anchorage
PERS/TRS Joint Meeting, Anchorage
PERS Appeal Meeting, Anchorage

Sitka School District
Fairbanks North Star Borough School District
Fairbanks City & Borough, Yukon-Koyukuk School District, North Pole
Dillingham, Naknek, King Salmon
Delta Junction, Tok, Nenana, Healy
Barrow
Kenai Peninsula
Fairbanks North Star Borough School District
Prince of Wales Island

*When contacting the PERS, please address your request to the **appropriate** section or unit.*

Seminars

Anchorage

Introduction to PERS/ Planning for Your Future

- Friday, March 14
- Wednesday, June 11

Planning for Your Future/The Retirement Process

- Friday, February 14
- Wednesday, February 26
- Wednesday, March 26
- Wednesday, April 16 *
- Thursday, May 29
- Tuesday, June 24

Juneau

Introduction to PERS

- Thursday, March 27
- Thursday, June 26

The Retirement Process

- Thursday, April 24
- Thursday, May 29

Contacting the PERS

Accounting Section

accountingsection@admin.state.ak.us

Anchorage Field Office

(907) 269-0333 Anchorageoffice@admin.state.ak.us

Benefits Section

(907) 465-8600 benefits@admin.state.ak.us

Death Benefit Unit

survivorbenefits@admin.state.ak.us

Deferred Compensation Plan

dcp@admin.state.ak.us

Dependent Care Reimbursement Account

dca@admin.state.ak.us

Disability/Appeals Unit

disability@admin.state.ak.us

Divorce/Dissolution Unit

qdro@admin.state.ak.us

Retiree Payroll Section

retireepayroll@admin.state.ak.us

Retirement Section

(907) 465-5700

retirementsection@admin.state.ak.us

Pre-Retirement Services Unit

preretirementservices@admin.state.ak.us

Retirement Processing Unit

retirementprocessing@admin.state.ak.us

Retiree Services Unit

retireeservices@admin.state.ak.us

Supplemental Annuity Plan

sbs@admin.state.ak.us

Anchorage Seminar locations: Atwood Building, 550 W. 7th Ave., 18th floor conference room.
*April 16 seminar will be held at the Anchorage School District board room. Call 269-0288 for a reservation. Anchorage seminars are from 1–3 p.m.
Juneau seminar location: State Office Building, 333 Willoughby Ave., 6th floor conference room. Call 465-5698 for a reservation. Juneau seminars are from 1:30–3:30 p.m.

The method used to calculate the retirement benefit for retirees who have returned to work depends on when they first entered the PERS.

Pre-1977 Retirees Returning to Work Under the Standard Option

Did you first enter the Public Employees' Retirement System **before** July 1, 1977? If you retire and then later returned to work, the Division will calculate your retirement benefit using a different method than the Standard Option.

The Standard Option of calculating retirement benefits applies to those who first entered the PERS **after** July 1, 1977. Under the Standard Option:

- You stop receiving a retirement benefit during your employment,
- You start making PERS contributions again; and
- You accrue a new retirement benefit during the period of reemployment.

When you retire again, then your original retirement would be reinstated and you would receive an additional retirement calculation, based on your second period of reemployment. You must apply for this additional benefit.

However, if you first entered the PERS **before** July 1, 1977, then the

Division will recalculate your retirement based on a different method.

Your retirement benefit will be totally recalculated. Instead of locking in the first retirement and reinstating it, the Division will recalculate your retirement as though you never retired in the first place.

For example, let's say that you first entered the PERS **before** July 1, 1977, and you retired with a regular retirement in 1989 based on an average salary of \$1,500. You return to work and your new average salary is now \$4,000. When you are ready to retire again, the Division will recalculate your benefit using all your years and all your salaries as though you never retired. You will receive a new appointment date to retirement. Your retirement benefit will be calculated based on your new average high salary and on the total years of employment.

Members who retired early are required to repay the early retirement benefits they received with an actuarial adjustment to their benefit for their lifetime.

Anchorage Field Office Now on the 18th Floor

Be sure to call ahead for an appointment if you are visiting the Anchorage field office.

Planning to visit the Anchorage field office? Be sure to go to the 18th floor of the Robert B. Atwood Building.

550 West 7th Avenue, Suite 1850
Anchorage, AK 99501-3570
Phone: (907) 269-0333
Fax: (907) 269-0280

Visitor and handicapped parking is available in Lot 80, between 7th and 8th Avenues and F and G Streets.

Health on the Web

The only way to slow down rising health care costs is to become wise consumers.

Aetna's Intellihealth web site keeps you up to date on health and dental information. The information comes to you from Harvard Medical School and the University of Pennsylvania School of Dental Medicine, so you know you're getting it from reliable sources. For more information, visit www.intelihealth.com.

Diseases & Conditions

- Search for information on a wide variety of diseases.

Healthy Lifestyle

- Complimentary and Alternative Medicine
- Fitness
- Nutrition
- Weight Management
- Workplace Health

Your Health

- Men's Health
- Women's Health
- Children's Health
- Seniors' Health
- Babies' Health
- Teens' Health
- Caregiving

Look It Up

- Symptom Scout
- Medical Dictionary
- Tests & Procedures
- Health A-Z
- First Aid
- Physician Locators
- Health Resources and Associations
- Drug Resource Center



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The Alaska Department of Administration complies with Title II of the 1990 Americans with Disabilities Act (ADA). This publication is available in alternative communication formats upon request. To make necessary arrangements, contact the ADA Coordinator for the Division of Retirement and Benefits, at (907) 465-4460 or contact the TDD for the hearing impaired at (907) 465-2805.

The PERS Newsbreak is published by the Division of Retirement and Benefits, Guy Bell, Director and Administrator, Jane McMillan Ginter, Editor.

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Board Members

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